

BROILER PRODUCTION AGREEMENT

MOUNTAIRE FARMS, L.L.C. MILLSBORO, DELAWARE

This AGREEMENT, made and entered into this _____ day of _____, _____, by and between MOUNTAIRE FARMS, L.L.C., an Arkansas limited liability company with offices in Sussex County, Delaware, Party of the First Part, with its address for notice at P.O. Box 1320 Millsboro, DE 19966 hereinafter referred to as "Mountaire" and _____ of _____, Party of the Second Part, with its address for notice at _____, hereinafter referred to as "Grower."

WITNESSETH

Additional Capital Investments Disclosure Statement:
ADDITIONAL LARGE CAPITAL INVESTMENTS MAY BE REQUIRED OF GROWER
DURING THE TERM OF THIS AGREEMENT.

Mountaire and the Grower expressly intend that this Agreement and the independent services of Grower establish Grower as an independent, third party contractor grower. Grower is primarily responsible for the care, maintenance and growth of each flock to which it has custody. Grower shall use its own judgment and experience in finalizing all techniques and production methods, using the Broiler "Growing Program" Procedures Guide as guidelines only and reporting its successes and recommendations to Mountaire.

In consideration of the agreements and covenants of each with the other herein contained, said parties hereby contract and agree as follows:

I. Mountaire agrees:

A. To furnish the Grower with a flock ("Flock") of birds to raise for broiler production for Mountaire. Mountaire bears the cost of and retains title to the birds. Mountaire shall have the right to determine the placement density of the birds.

B. To provide and deliver to the Grower such feed, fuel, litter, medication, vaccine, and litter amendments as Mountaire may deem necessary for the care of the Flock placed in the custody of the Grower under this Agreement. Mountaire retains title to any feed, medication, or other supplies remaining on the Grower's farm.

C. To determine and schedule when and where the Flock is to be removed for processing and shall or shall arrange for third parties to catch, load and transport the Flock at no cost to the Grower.

D. To provide the Grower all feed delivery and live poultry scale tickets that are used in the calculation of the Grower's compensation and furnish Grower with a copy of the final

Flock settlement instrument calculating the payment due to Grower ("Final Flock Settlement"). Any feed picked up by or returned to Mountaire shall be weighed and reported on the Final Flock Settlement.

E. To compensate the Grower for services rendered herein as provided for in the attached "Grower Payment Schedule," not later than fifteen days following the week in which the Flock is slaughtered.

II. Grower hereby commits himself to accept delivery or placement of the Flock, and in addition, agrees:

A. To furnish and provide, in accordance with Mountaire's judgment, the necessary land, buildings, equipment, utilities (understanding that maintenance, management and environmental management are always Grower's responsibility and Mountaire assumes no responsibility as to these or other Grower responsibilities) and further, to provide such labor (including hiring assistants, if any, as Grower may choose) as are necessary to properly care for the Flock.

B. To be present and assist in the preparation of the house(s) for the delivery of chicks and, also, for the removal of the Flock.

C. To adopt and follow sound poultry management practices that conform to practices of good animal husbandry that are at least comparable to Mountaire's recommended practices.

D. To comply with applicable State, Federal and Local environmental laws, rules, regulations, codes and ordinances ("Laws"), including but not limited to, those governing environmental management, poultry litter management, and prompt and proper disposal of all litter and dead birds. Growers in the State of Delaware shall be properly certified by the Delaware Nutrient Management Commission, or its successor, and shall include within their Nutrient Management Plans or Animal Waste Management Plans (NMP/AWMP) accurate and required accounting for nitrogen and phosphorous applications, as required by Delaware's nutrient management Laws.

E. To provide properly maintained roads, free of surface or overhead obstructions, from the nearest county or state maintained road to and around Grower's poultry house(s) and furthermore, to provide adequate space to turn vehicles where necessary and adequate loading areas for birds. Grower shall be liable for wrecker or towing charges incurred by Mountaire due to insufficiently or improperly maintained roads.

F. To allow no other poultry, fowl, wild birds, exotic or domestic pet birds on the Grower's premises.

G. To secure all poultry house(s) to prohibit the entrance of unauthorized persons or wild and domestic animals and birds.

H. To insure that all hired labor or other authorized entrants to the poultry house(s) follow proper biosecurity procedures and have no contact with other fowl, wild birds, or exotic or domestic birds.

I. To keep accurate records (such as daily mortality) necessary for the efficient and proper care of the Flock.

J. To notify Mountaire immediately if any situation develops that has an adverse effect on the health or well being of the Flock (such as increased mortality or other disease or abnormal conditions).

K. To not use or allow to be used during the period of this Agreement any feed, medication, herbicides, pesticides, rodenticides, insecticides or any other such item except as supplied or approved in writing by Mountaire.

L. Within this framework, Grower retains the exclusive power to control how the actual growing and care services are provided, by use of its own skills, labor, tools, ideas, manner, and judgment.

M. To indemnify Mountaire, its officers, employees, agents and representatives, defend and hold Mountaire harmless from and against:

1. Any and all claims for damage or injury to persons or property arising out of or resulting from the Grower's operations or inactions under this Agreement, except to the extent such damage or injury is caused by the gross negligence or willful misconduct of Mountaire.
2. Loss from theft or disappearance of birds, feed, medications, or other goods supplied by Mountaire pursuant to this Agreement.

N. To indemnify, defend and hold Mountaire, its officers, employees, agents and representatives harmless from and against any and all losses, claims, damages, and actions, including federal, state, or local administrative actions, rulings and all other actions of any nature whatsoever which are in any manner caused by or which result from the presence of the broilers on the premises of Grower, including, but not necessarily limited to matters involving emission complaints; disposal complaints; pollution complaints; violation of Laws and any negligent acts or omissions of Grower in the performance of its obligations under this Agreement.

O. To carry comprehensive general liability insurance with limits of not less than Five Hundred Thousand Dollars (\$500,000.00) for death or bodily injury and/or property damage per occurrence. If possible without charge to Grower or Mountaire, Mountaire shall be named as an additional insured. In any event, a certificate of insurance shall be delivered to Mountaire annually on or before the renewal date of the policy. All policies of insurance shall contain a provision that the insurer will not cancel or materially change the policy, except after thirty (30) days' prior written notice to Mountaire.

P. To notify Mountaire if Grower plans to significantly change its operations.

III. It is further understood and agreed that:

A. This is a service contract and not a contract of employment and Mountaire and the Grower are independent contractors and neither their employees nor agents shall be considered to be employees of the other for any purpose whatsoever.

B. The Grower accepts full and exclusive liability for payment of any and all applicable local, state and federal taxes, taxes for workers' compensation insurance, unemployment compensation insurance, or old age benefits or annuities now or hereafter imposed by any governmental agency, as to Grower and all persons as Grower may engage in the performance of this Agreement.

C. Mountaire shall not be held responsible or liable for damages to Grower caused by delay or failure to perform hereunder when such delay or failure is due to fire, labor strike, act of God, legal act of a public authority or a labor, feed or fuel shortage, disease, or other circumstances outside the reasonable control of Mountaire.

D. Mountaire shall have the right to immediately remove said birds from the Grower's premises at any time that any of the following events may occur:

1. The birds contract any disease that, in Mountaire's sole reasonable judgment, renders the Flock to be unthrifty, poses a disease threat to other poultry, or as directed by federal, state, or local authorities.
2. Grower's management practices do not conform to Mountaire's standards and/or do not conform to practices of good animal husbandry.
3. Failure of the Grower to comply with any provision of the Agreement.
4. Grower becomes insolvent or commits any act of bankruptcy.
5. The use of abusive language, threat of physical harm or in any manner prohibiting Mountaire or its authorized representative from properly monitoring the Flock.
6. The Flock reaches a normal marketable age as determined by Mountaire.

E. If in the judgment of Mountaire, the Grower should fail to provide proper care, feeding or treatment under the terms of this Agreement, Mountaire shall have the right to enter over and into the land and premises where the Flock is located and provide necessary care for and handling of the Flock and to charge the Grower with expenses incurred to accomplish this, which will be deducted from settlement before final payment is made.

F. Mountaire shall have the right of access at all times to the premises in which the Flock shall be housed or otherwise located for the purpose of inspecting birds, delivering chicks, feed or supplies and removal of birds.

G. If a Grower's Flock performance as determined by either the Standard Cost (as defined in the Grower Payment Schedule) or the basic management practices of the Grower reaches an unacceptable level as determined by Mountaire, then the following may occur:

1. Consultation with Mountaire's Grow-Out Department management and placement of Grower on an action plan or performance improvement plan.
2. Action plans will be developed in writing with a Grower.
3. Action plans precede a notice of termination that will be issued concurrently with placing a Grower on a performance improvement plan so the Grower is advised that if the performance improvement plan is not met that the Grower will be terminated and the date of termination.
4. A copy of the current performance improvement plan standards are attached hereto as Schedule I. New contracts or new Flocks may have changed terms for performance improvement plans that will be provided to the Grower.
5. If the Grower fails to comply with the performance improvement plan to Mountaire's satisfaction the contract will be terminated at the date specified in the initial notice.

H. MOUNTAIRE DOES NOT WARRANT QUALITY, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR OTHERWISE WARRANT ANY PRODUCT DELIVERED BY OR RECOMMENDED BY IT TO THE GROWER UNLESS MANUFACTURED BY MOUNTAIRE. SUCH GOODS ARE DELIVERED AS IS, WHERE IS AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THE FACE HEREOF.

I. Mountaire may assign this Agreement at any time. The Grower may assign this Agreement only with the written consent of Mountaire which consent may be withheld in Mountaire's sole discretion.

J. TERMINATION PROVISIONS:

As a matter of convenience of not having to initiate a new contract for each Flock, this Agreement shall be continuous until terminated as follows:

Grower shall have a right to rescind this Agreement until 11:59 p.m. on the third business day after the day on which Grower signs the Agreement. Grower shall provide written notice of termination to the Mountaire's Live Production Manager or Breeder Manager.

Grower may cancel this Agreement without cause and either party may cancel this Agreement with cause, but in all cases, upon first giving the other party written notice of such decision to terminate: provided, however, that such written notice on the part of the Grower or

Mountaire shall be given no less than ninety (90) days prior to the termination date. Any such notice of termination shall be personally delivered or sent by first class mail to the other party at the address set forth below such party's signature line. The notice may be given at the date the party enters the performance improvement plan program if that program applies to the Grower. In any event, Mountaire's termination notice shall specify the reasons and any appeal rights. The effective date of the termination shall be stated by the party giving notice.

Neither party shall incur any liability to the other party as a result of so electing to terminate this Agreement. Any claim that either party may have against the other party for sums loaned or indebtedness owed to the other party or for breach of this Agreement shall survive termination of this Agreement.

Termination during a Flock placement shall be in accordance with the other terms of this Agreement. Should such termination occur, Mountaire agrees to pay the Grower for all services performed until termination of this Agreement, and the Grower agrees to perform all obligations until termination of this Agreement. Except for cause or economic necessity, such as Grower's gross negligence, Flock abandonment or material financial breach, hereinafter defined, Mountaire will not terminate this Agreement without first providing Grower an opportunity to cure any deficiencies through a performance improvement plan or other written agreement reached by the parties.

Notwithstanding any provision in this Agreement to the contrary, in the event of Grower's gross negligence or Flock abandonment, Mountaire shall have the right to remove the Flock and/or take over said work and complete it in any manner it sees fit, with any and all expenses incurred by Mountaire being charged back to the Grower, and at Mountaire's option this Agreement, at that time, may be terminated without notice.

Notwithstanding any provision in this Agreement to the contrary, Grower's default under any financing agreement and/or levy, seizure, or attachment of Mountaire or Grower's property, Grower insolvency or bankruptcy, shall be considered a "material financial breach" of this Agreement and/or its Exhibits, and Mountaire shall have the right to take over said work and complete it in any manner it sees fit, with any and all expenses incurred by Mountaire being charged back to the Grower, and at Mountaire's option this Agreement, at that time, may be terminated without notice.

IV. Miscellaneous:

A. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto, and shall supersede any previous agreements made between the said parties.

B. Further, this Agreement constitutes the sole and final agreement between the parties hereto and may be changed or modified only by an agreement in writing signed by each of the said parties.

C. The terms of this Agreement and any documents provided in conjunction herewith or pursuant hereto, including, but not limited to, any Final Flock Settlement and Grower Payment Schedule, shall be deemed confidential information and trade secrets and may only be shared by Grower if or with: (i) required by applicable legal standards or processes to a federal or state governmental agency; (ii) provided to financial or legal advisers or lenders; (iii) Grower's hired accounting services representative; (iv) if Grower is an entity, Grower's executives or managers that agree in writing to maintain the confidential nature of the information; (v) Grower's landlords that agree in writing to maintain the confidential nature of the information; (vi) a member of Grower's immediate family or a business associate with whom the Grower has a valid business reason for consulting; or (vii) other Mountaire growers. All such produced documents shall be marked COMPANY CONFIDENTIAL on each page. In addition, the Grower shall immediately provide to Mountaire notice of any such legal requirement. Confidential information shall not include information which becomes generally available to the public other than as a result of any unauthorized disclosure by Grower. Grower agrees on behalf of it and its officers, directors, employees, agents and representatives, if any, not to disclose to any third party or appropriate for their own use any confidential information. Each party to whom or to which confidential information is shared will be asked to maintain the confidential nature of the information.

D. This Agreement shall be governed and interpreted by the laws of the State where Grower's operations under this Agreement are conducted.

E. As noted above, this Agreement may be canceled by Grower within three (3) business days after it is executed by Grower by delivery of a cancellation notice from Grower to Mountaire at the address referenced in the opening paragraph hereof.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

MOUNTAIRE FARMS, L.L.C.

Grower

By: _____

Social Security # or Federal ID #

SCHEDULE I

Criteria for placing Grower on PIP (Performance Improvement Plan):

1. Written action plan required:
 - When a grower's six Flock average reaches (-) minus \$.0040 or worse.
 - The plan will be written in cooperation with the Grower and it will define steps the Grower should take to improve performance.
2. PIP required:
 - When a grower's six Flock average reaches (-) minus \$.0065 or worse.
 - The Grower will be sent a certified letter notifying them that they are on the PIP and providing notice of termination if the PIP plan does not result in improved performance.
 - The certified letter will be sent prior to the placement of the Flock on the PIP.
 - The certified letter will inform the Grower that any Flock while on the PIP must settle better than (-) minus \$.0030 or the contract with the Grower will be terminated.
 - If the termination Flock settles in less than ninety (90) days from the notification by certified letter, the Grower may place another Flock in order to meet the ninety (90) day notification.
 - If a grower's six Flock average improves to better than (-) minus \$.0065 and does not have any Flocks worse than (-) minus \$.0030 while on the PIP, the Grower will be removed from the PIP program.
 - In the case of "**Force Majeure**" meaning war, hostilities (whether declared or not), disasters, including as to individual farms, unforeseen natural catastrophe including but not limited to earthquake, flood, fire, and other causes beyond Grower's foreseeable control, such as labor strike, legal act of a public authority or a labor, feed or fuel shortage, then the PIP and notice of termination may be extended, in writing.

Grower #: _____

Farm Name: _____

GROWER PAYMENT SCHEDULE
MILLSBORO, DELAWARE

A. Base Payment Rate: \$.0470 per pound of poultry moved.

B. Feed Conversion Performance Rating:

- Will be determined by comparing each Grower's average weight per bird and feed conversion to the Weekly Average Weight / Feed Conversion of all flocks in the settlement week.
- The average weight will be adjusted using a ratio of .10 points of weight equal to .01 point of feed conversion.
- Average weight will be determined by dividing the pounds of poultry moved from the Grower's farm by the number of birds at movement as determined from the House Mortality Chart. The grower is required to keep an accurate record of flock mortality. If grower head counts are more than 2% below catcher counts a review will be held to determine the accurate count.

<u>Weekly Average</u>	<u>Example</u>		
	<u>Grower #1</u>	<u>Grower #2</u>	<u>Grower #3</u>
Avg. Weight	6.50	6.60	6.40
Avg. Feed Conversion	2.05	2.04	2.06
Rating	.00	.02	-.02

- The rating is then multiplied by \$.0750 to determine the cents per pound adjustment to the Base Payment Rate.

Example

$.02 \times \$0.0750 = + \$0.0015/\text{lb}$. Added to the Base Payment Rate

$-.02 \times \$0.0750 = - \$0.0015/\text{lb}$. Deducted from the Base Payment Rate

C. Fuel Performance Rating:

- Will be determined by comparing each Grower's fuel cost per pound to the Weekly Average Fuel Cost per pound of all flocks in the settlement week.
- An average unit cost of fuel for the settlement week will be calculated and will be applied to each Grower's actual units used during the flock.

<u>Grower</u>	<u>Actual Gal. Used</u>	<u>Example</u>			
		<u>Total* Fuel \$'s</u>	<u>Fuel Cost** /Pound</u>	<u>Avg. Wkly Fuel Cost</u>	<u>Base Pay Adjustment</u>
#1	73	\$58	\$0.0005	\$0.0010	=\$.0005
#2	216	\$173	\$0.0015	\$0.0010	-\$0.0005

* Average Weekly Fuel Cost/Gal. = \$.80

** Pounds Moved = 115,000

D. Standard Cost:

- Defined as the cost of feed (using a fixed ingredient cost/ton) plus fuel (using the weekly average cost/gal.) calculated on a per pound of poultry moved.
- A minimum of ten flocks per growing program is required to calculate the Weekly Average Standard Cost. If less than 10 flocks are moved during the week, the Weekly Average Standard Cost for the previous week will be used for each flock until the 10 flock minimum requirement is obtained.
- Any flock with a Standard Cost that is either \$.0150 per pound greater than (+) or less than (-) the Weekly Average Standard Cost will not be included when computing the final Weekly Average Standard Cost.

E. Top Six Growers Bonus Payment:

- A bonus payment per pound for each growing program will be added to the Base Payment for the top six Growers that have the lowest Standard Cost for the week's settlement period.
- The following per pound payment will be added to the Base Payment:

#1 Grower:	\$0.0050	#4 Grower:	\$0.0020
#2 Grower:	\$0.0040	#5 Grower:	\$0.0010
#3 Grower:	\$0.0030	#6 Grower:	\$0.0005

F. Tunnel Premium Payment

- Tunnel ventilated houses that are approved by Mountaire Farms will receive an additional payment per pound of \$.0010.
- This "Tunnel Premium Payment" will be added to the Base Payment per pound.
- If a farm has a combination of "tunnel" housing and "conventional" housing on the same account, the premium pay per pound will be pro-rated based on percent of capacity placed in each style house.

Example: 3-house farm --- 2 tunnel houses had 49,000 chicks placed and 1 conventional had 21,000 chicks placed.

49,000 tunnel capacity divided by 70,000 total capacity = 70% tunnel housing
70% x \$.0010 = \$.0007 per pound of poultry moved.

G. Insulated Sidewall Incentive Payment

- Houses with at least one sidewall that is closed in, insulated to minimum R-8 and sealed properly to Mountaire approval will receive an additional payment per pound of \$.0005.
- This "Insulated Sidewall Incentive Payment" will be added to the Base Payment per pound.
- If a farm has a combination of solid sidewall and open sidewall housing, then "Insulated Sidewall Incentive Payment" will be pro-rated based on the percent of capacity placed in each style house. (See tunnel pro-rate formula in Section F.)

H. Performance Payment

- Growers who have a previous Six-Flock Average that is better than average will have 50% of their previous Six-Flock Average added to their base payment.
- Six-Flock Average is defined as the simple average of the Grower's most recent six flocks' Standard Cost. A grower with less than six flocks, but more than three flocks, will have a partial flock average of those flocks. A Grower with three flocks or less will be assigned the average six flock (i.e., zero).

Example: Growers previous Six-Flock Average is +.0020 than .0010 will be added to their base payment.

I. Minimum Payment:

- A minimum payment per 1,000 birds started (at .75 density) is based upon a Grower's Six-Flock Average as follows:

<u>Six Flock Average</u>	<u>Minimum Payment</u>
+\$0026 or above	\$160.00 per 1,000 birds
+\$0011 to + \$.0025	\$155.00 per 1,000 birds
+\$0010 or below	\$150.00 per 1,000 birds

J. Growers who install, maintain and continuously operate the following equipment to Mountaire's specifications will be paid an additional payment based on the square footage of the house(s) so equipped.

1. Equipment required:

- a. Six (6) inch pad with recirculating water system.
- b. Tunnel ventilation with a calculated wind speed of 600 feet per minute or 100 feet per minute more than the length of the house; whichever is greater. (400 foot or less houses must have a minimum of 500 feet per minute.)
- c. Controllers
- d. Dark out sidewalls with light dimmers.
- e. Cross-over fogger lines inside house to specifications.
- f. Generator with automatic switch-on capable of operating all poultry houses.

2. Payment per square footage of house per flock produced: \$.0100
3. The Minimum Payment referenced in Item H above will be \$165.00 per 1,000 birds placed (at .75 density).

K. Disaster Payment:

- A disastrous loss will be determined by Mountaire and is the result of fire, windstorm, flood, or disease, not resulting from any negligent act or omission on the part of the Grower.
- In the event of a 100% disastrous loss of birds, Mountaire will compensate the Grower at the rate of \$15.00 per 1,000 birds started for each week the birds are in the Grower's house until the date of the disaster.
- In the event of a partial disastrous loss (less than 100% of the birds are lost), Mountaire will compensate the Grower at the rate of \$15.00 per 1,000 birds lost for each week the birds are in the Grower's house based on the number of birds lost. The above payment schedule will be used to calculate the payment for the surviving birds with the exception that if any minimum payments apply; the calculation will be based upon the number of birds moved rather than number of birds started.

L. In the event there is an excessive amount of birds lost (greater than 4% of the birds housed) during a 24-hour period that is the result of the following event:

1. Birds are lost due to malfunction of the Grower's equipment (alarms, fans, curtain minders, generators, electrical boxes, etc.) that was preventable and within the control of the Grower,

Or

2. Birds are lost due to a caretaker not being present to respond to an emergency situation,

Then all Minimum Payments, Disaster Payments, and New House Construction Minimum Payments will not apply.

3. Birds are lost due to malfunction of the Grower's equipment (alarms, fans, curtain minders, generators, electrical boxes, etc.) that was not preventable and not within the control of the Grower, then all Minimum Payments, Disaster Payments, and New House Construction Minimum Payments will apply to the number of birds moved (Live Haul count).

M. Any additional bedding deemed necessary by Mountaire, because of Grower's mismanagement or omissions, will be supplied by Mountaire at Grower's expense, as determined by Mountaire based on standard use and practices. Grower remains responsible for handling bedding in accordance with all Laws as defined in the Broiler Production Agreement.

N. All flocks moved each week from Saturday midnight through the following Saturday midnight constitute a payment period.

O. Payment to the Grower will be made within fifteen (15) days of the date of the final movement of the flock from the farm. Any Federal or state holiday shall extend this time period accordingly.

N WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

MOUNTAIRE FARMS, L.L.C.

Grower

By: _____

Date

MOUNTAIRE FARMS, L.L.C.
MILLSBORO, DELAWARE
ADDENDUM TO BROILER PRODUCTION AGREEMENT
MINIMUM PAYMENTS FOR NEW HOUSE CONSTRUCTION

This ADDENDUM, made and entered into this _____ day of _____, by and between MOUNTAIRE FARMS, L.L.C., an Arkansas limited liability company with offices in Sussex County, Delaware, Party of the First Part, hereinafter referred to as "Mountaire" and _____, Party of the Second Part, hereinafter referred to as "Grower".

The Broiler Production Agreement (Grower Payment Schedule) is hereby amended as follows:

I Mountaire agrees to pay the Grower for each flock of poultry placed in the Grower's care a guaranteed minimum payment for new house construction according to the following schedule:

<u>Class</u>	<u>House Type</u>	<u>Dollar (\$) Amount Per 1,000 Birds Placed*</u>	<u>Age of House – Period of Payment</u>
			<u>Large</u>
AAA	Tunnel With Self Generation, Darkout With Dimmers, 6" Recirculating Pad, Approved Air Speed, Radiant Heat in Brood Chamber	\$300 (Built after 12-31-02)	15 Year Term
AA**	Tunnel With Controller, Self Generation, Dimmers, 6" Recirculating Pad, Approved Air Speed	\$245 (Built after 08-19-02)	15 Year Term
A	Tunnel With Controller and Dark-out	\$230	15 Year Term

* Based on a placement density of one bird per .75 square foot of floor space.

II All house types must be constructed and equipped according to Mountaire's requirements and specifications.

III Disaster Payment:

- a. A disastrous loss will be determined by Mountaire and is the result of fire, windstorm, flood, or disease, not resulting from any negligent act or omission on the part of the Grower.
- b. In the event of a 100% disastrous loss of birds, Mountaire will compensate the Grower \$15.00 per 1,000 birds started for each week the birds are in the Grower's house until the date of the disaster.
- c. In the event of a partial disastrous loss (less than 100% of the birds are lost), Mountaire will compensate the Grower \$15.00 per 1,000 birds lost for each week the birds are in the Grower's house based on the number of birds lost. The above payment schedule will be used to calculate the payment for the surviving birds with the exception that if any minimum payments apply, they will be paid on number of birds moved rather than number of birds started.

IV In the event there is an excessive amount of birds lost (greater than 4% of the birds housed) during a 24-hour period that is the result of the following event:

1. Birds are lost due to malfunction of the Grower's equipment (alarms, fans, curtain minders, generators, electrical boxes, etc.) that was preventable and within the control of the Grower,

Or

2. Birds are lost due to a caretaker not being present to respond to an emergency situation,

Then

all Minimum Payments, Disaster Payments, and New House Construction Minimum payments will not apply.

3. Birds are lost due to malfunction of the Grower's equipment (alarms, fans, curtain minders, generators, electrical boxes, etc.) that was not preventable and not within the control of the Grower, then all Minimum Payments, Disaster Payments, and New House Construction Minimum Payments will apply to the number of birds moved (Live Haul count).

COMPANY
CONFIDENTIAL

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

MOUNTAIRE FARMS, L.L.C.

Grower

By: _____

Date

Poultry
House #

Class

Date Built

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

ACKNOWLEDGMENT

I acknowledge and confirm that I am a party to a poultry contract (the "Contract") between Mountaire and me.

I confirm my receipt of the executed Contract and that I have read and understand its terms, including Schedule I Criteria for placing Grower on a Performance Improvement Plan. In particular, I have read, understand and will comply with Paragraph II. D. of the Contract, which requires that I will:

Comply with applicable state, federal and local environmental laws, rules, regulations, codes and ordinances, including, but not limited to, those governing environmental management, poultry litter management, and prompt and proper disposal of all litter and dead birds.

Also, I confirm my receipt from Company of the "Growing Program Procedures Guidelines." I have read and understand the contents of the guidelines, in particular the "General Management" section.

Also, I acknowledge my understanding that the following resources are available to me, to address my questions regarding environmental and poultry litter management issues:

Virginia NRCS State Office
1606 Santa Rosa Rd.
Richmond, VA 23229-5014
(804) 287-1500

Virginia Cooperative Extension Service
Northern Region
70 Main Street
P.O. Box 701
Warrenton, VA 20188-0701
(540) 341-7961
(540) 347-2534 Fax

Virginia Cooperative Extension Service
Southeast Region
Cooperative Extension Building
P.O. Box 9400
Virginia State University
Petersburg, VA 23806
(804) 524-5252
(804) 524-5452 (Fax)

Virginia Cooperative Extension Service
Northeast Region
11 South 12th Street, Suite 210
Richmond, VA 23219-4035
(804) 786-5802
(804) 786-5815 Fax

Virginia Cooperative Extension Service
Central Region
P.O. Box 158
Highway 460
Appomattox, VA 24522-0158

Virginia Dept. of Environmental Quality
629 East Main Street
P.O. Box 10009
Richmond, VA 23240-0009
(804) 698-4000
(800) 592-5482

Virginia Cooperative Extension Service
Northwest Region
1316 East Main St., Suite C
Luray, VA 22835
(540) 743-2009
(540) 743-2014 Fax

Maryland NRCS State Office
339 Busch's Frontage
Annapolis, MD 21401-5596
(410) 757-0681
(410) 757-0687 Fax

COMPANY
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Maryland Cooperative Extension Service
Central Maryland
4321 Hartwick Road, Suite 209
College Park, Md 20740-3210
(301) 405-4911
(301) 405-0046 Fax

Maryland Cooperative Extension Service
Eastern Shore
Wye Research and Education Center
P.O. Box 169
124 Wye Narrows Drive
Queenstown, MD 21658
(410) 827-8056

Maryland Dept. of the Environment
1800 Washington Blvd.
Baltimore, Maryland 21230
(410) 537-3000
(800) 633-6101

University of Maryland
Dept. of Agriculture and Natural Resource
Sciences
1145 Cole Field House
College Park, MD 20742

Delaware NRCS State Office
1203 College Park Dr Suite 101
Dover, De 19904-8713
(302) 678-4160

Delaware Dept. of Agriculture
2320 S. DuPont Hwy.
Dover, DE 19901
(302) 698-4500
(302) 697-6287 Fax

Furthermore, I acknowledge that, if I have any questions regarding environmental and poultry litter management while performing pursuant to the Contract, I am primarily responsible, but that questions may be directed to:

Grow-Out Manager at Mountaire Farms

GROWER SIGNATURE

Executed on _____

LIVE HAUL DAMAGE REPORTING PROCEDURE

In order for Mountaire Farms of Delaware to consider paying for Live Haul farm damages, the following procedure must be followed:

1. Live Haul damage must be reported to the Live Production Coordinator within 48 hours after movement. Friday movement damages can be reported on and no later than Monday. Contact the office at 877-887-1490 ext. 3044 or 302-934-3044 and in the absence of Live Production Coordinator, damage needs to be reported to Live Production Administrative Assistant at 302-934-3039.
2. Someone from Live Haul should visit the farm within 48 hours to check the damage. Any questions or concerns about fault should be relayed to Grow Out management immediately.
3. Repair bills from the grower must be turned into the Grow Out Office within four (4) months of the date the damage was reported.
4. Live Haul damage resulting from birds going into a tunnel fan will not be paid. The grower is responsible for placing barriers in front of the fans prior to movement.

NO DAMAGE WILL BE PAID IF REPORTED AFTER THE 48 HOUR PERIOD!

I have read the above guidelines and understand this procedure.

FARM NAME

GROWER

DATE

SERVICEMAN

DATE

Grower # _____

Grower Name: _____

Mountaire Farms, L.L.C.

Grower Pre-settlement Advance

I, _____, hereby agree to (enroll) / (waive enrollment) in the Mountaire Farms, LLC Grower Pre-settlement advance.

Grower Pre-settlement Advance Payment Calculation

Mountaire will provide a pre-settlement advance at ten cents (0.10 ¢/sq. ft.) based on total square feet available for placement.

Mountaire will issue the pre-settlement advance to growers with flocks reaching the age of 39.0 to 45.0 days. These advances will be sent weekly to those growers meeting the age criteria.

Mountaire will take into consideration assignments and deductions which will be deducted from the upcoming settlement to determine if the total advance will be paid in full or adjusted accordingly.

Advances will also be subjected weekly to a final review where management may, at their discretion, remove the grower from receiving an advance.

In the event that Mountaire should advance too much, the residual amount will be due to Mountaire within ten (10) business days of flock settlement unless other arrangements are made.

By enrolling in the grower pre-settlement advance, the grower authorizes Mountaire to deduct the amount advanced from the current flock's settlement.

Mountaire reserves the right to modify, change or suspend this program at any time.

Example Pre-settlement Calculation:

Available Square Feet:	80,000
Advance per Square Foot:	\$0.10
Total Money Advanced:	\$8,000

Mountaire Farms, L.L.C.

Grower Signature

Date

By: _____



Mountaire Farms of Delaware

Grwr #: _____

Farm Name: _____

I have received training from company personnel on the following policies of
Mountaire Farms Inc. as indicated by my signature below:

1. Humane handling and euthanasia: Name: _____ Date: _____
2. Biosecurity guidelines: Name: _____ Date: _____

HUMANE BIRD HANDLING AND EUTHANASIA GUIDELINES

The process of raising live poultry involves the infrequent handling of live birds and humane euthanasia of a few birds as necessary throughout raising the flock.

1. Humane handling of live birds

Live birds can sense pain and must be gently handled at all times.

Birds should be cradled in both hands or carried by the legs only. Never carry a bird by one wing, or wing damage is likely to occur.

Never kick or throw a live bird.

2. Humane killing (euthanasia) of birds

Birds that are unable to successfully compete for feed and water or are injured must be humanely killed by the caretaker when they are found.

The following birds should be humanely euthanized immediately:

- A. Birds which are unable to move when gently prodded. These birds are lame to the point of not being able to eat or drink.
- B. Birds with traumatic injuries. Examples include broken legs or wings or other physical trauma.
- C. Blind birds. These birds are unable to eat or drink.

The only approved method of humane killing of birds is rapid cervical dislocation. This procedure kills the bird quickly and will be demonstrated by service personnel on your farm.

BIOSECURITY (DISEASE PREVENTION)

Protecting your birds from contracting poultry diseases is critical to the success of your farm. Using the common sense biosecurity guidelines outlined below, you can help keep disease away from your farm.

1. Biosecurity = Protecting Life

Biosecurity is a comprehensive program of principles and procedures to help keep poultry diseases away from your farm.

2. Isolation: Avoid contact with all other birds

Other birds of all types can be carriers of disease organisms, especially other poultry and waterfowl (ducks, swans, and geese). Thus any contact with other birds is a potential exposure to disease that can then be brought back to your farm to infect your poultry flock. For this reason poultry houses must be bird proof.

To avoid this source of infection, no other birds are allowed on poultry farms. Any cull birds remaining at the end of a flock should be humanely euthanized and disposed of properly.

Bird hunting is strongly discouraged (game birds and waterfowl), as birds of this type may carry very serious poultry diseases such as avian influenza (AI). Hunters must take extra precautions to avoid disease. Under no circumstances should wild fowl be dressed or cleaned on the farm. Hunting clothes should never be worn around poultry.

State fairs, live poultry exhibits, pet stores, custom slaughter markets and other places where there are live birds should be avoided if possible. If visits are made, do not wear those shoes and clothing around poultry until they have been cleaned and laundered.

2. Restrict farm visitors to necessary personnel only

Non-essential personnel should never be allowed near live poultry.

Necessary visitors should wear protective footwear (plastic boots) and clothing (disposable coveralls or lab coat) to prevent the possibility of tracking disease into your farm.

“No Visitors” signs should be posted at the farm entrance and/or on poultry buildings.

3. Farm dedicated (chicken house) footwear and clothing

Every worker with contact with live poultry should wear farm dedicated footwear and clothing that never leaves the farm. This concept is the best defense against tracking disease into your poultry flock. No matter where you or your workers have been and what poultry diseases they may have accidentally been exposed to, if you change into chicken house shoes and clothing before entering your poultry house then no disease organisms can be carried into your flock.

Marking shoes with brightly colored spray paint to identify them as "chicken house" shoes makes it easy to know that this program is being followed.

Similarly, brightly colored clothing or coveralls are also very easy to identify.

4. Report disease to service personnel promptly

Growers are the first line of defense in reporting poultry diseases.

If your flock experiences elevated mortality or shows signs of illness, promptly notify your serviceman. He/she is trained to diagnose most common poultry diseases, and will also collect samples for examination at a State poultry diagnostic laboratory for further testing if necessary.

5. Properly dispose of dead birds each day

Dead birds are highly contaminated with disease causing organisms and should be properly disposed of daily. Dead birds are not allowed to leave the farm.

6. Travel to foreign countries safely

Highly pathogenic avian influenza (AI), type H5N1, has been diagnosed in poultry and wild waterfowl in many foreign countries, and is especially widespread in Asia. Europe has also reported H5N1 infections.

Travel to foreign countries with active H5N1 infections is discouraged. However, if such travel is necessary the steps below should be followed to protect your flock from disease.

When traveling to a foreign country avoid contact with live poultry.

When returning from a foreign country, do not have contact with your poultry for 7 days after returning. This "self quarantine" procedure will insure that any poultry diseases accidentally contacted while in the foreign country will not be transmitted to your flock.